

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number 51015/0047 Mine Name White Cap #8
Operator Gypsum Resource Development Date Sent Aug 26 2013
TO _____ FROM _____

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPLE DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☐ AMENDMENT ☐ OTHER _____

Description YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superseded
Notice of File Closure and Release of Reclamation Surety
2013-08262013

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superseded
Bond File 2013-08262013

CONFIDENTIAL

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superseded
Bond File 2013-08262013

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superseded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

April 20, 2006

Zions Bank, Huntington Branch
Post Office Box 60
Huntington, Utah 84528

Telephone number: 435-687-2425

Attention: Edward Christianson or Jenene Hansen

Subject: Reclamation Surety, Certificate of Deposit for Gypsum Resource Development / Cutis Larkin
White Cap 8 Mine Site, S/015/047, Emery County, Utah
Certificate of Deposit no. 0479314858; Principal Amount: \$10,000.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the White Cap 8 mine site, Emery County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$10,000 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the United States Bureau of Land Management (BLM) upon demand in the event that the operator(s) of the White Cap 8 Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Gypsum Resource Development and or Curtis Larkin, a Utah Corporation and an individual, but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and BLM (agency) and is subject to the terms and conditions described in this agreement.

Certificate of Deposit – White Cap 8 Mine Site, S/015/047

Page 1 of 3

Bank hereby acknowledges the pledge of the aforesaid CD to the Division and the BLM and agrees to record the information in the bank's written and electronic records of book entry. Further, the bank acknowledges and agrees that it shall hold the moneys represented by the CD's as a custodian and agent for the Division and shall be liable to the Division for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by Gypsum Resource Development or Curtis Larkin for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of Director of the Utah Division of Oil, Gas & Mining. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

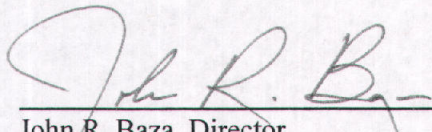
The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation notice. If the Bank is under a forced cancellation, the Division will immediately request the transfer of the CD funds to a Utah state managed cash account.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$10,000. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

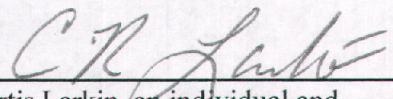
Bank will not be held liable for any dispute between the parties.

Agreed Upon By:



John R. Baza, Director
Utah Division of Oil, Gas & Mining

Date: 6/22/06



Curtis Larkin, an individual and
Gypsum Resource Development
Tax ID Number: 87-0473352

Date: 5/24/06

Signature on file

Edward Christianson
Zions Bank, Huntington Branch

Date: Signed 6/15/06

terms and conditions of this letter, including, without limitation, any action so taken at the request of the Division, except for Bank's own gross negligence or willful misconduct. In no event will Bank be liable for losses or delays resulting from computer malfunction, interruption of communication facilities, labor difficulties, or other causes beyond its reasonable control, or for indirect, special or consequential damages. Bank will also be relieved of all obligations under this letter if it acts pursuant to the order of any court of competent jurisdiction regarding the CD.

Agreed Upon By:

UTAH DIVISION OF OIL, GAS & MINING

By: _____
John R. Baza, Director

Date: _____

[Type the Owner's name here]

By: _____

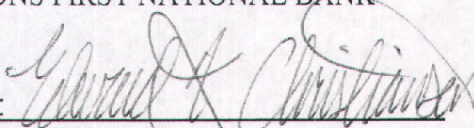
Date: _____

Name: _____

_____ [Type the Name & Title of Company Authorized Officer here, if Owner is a Company]

Tax ID Number: _____

ZIONS FIRST NATIONAL BANK

By: 
Edward Christianson
Zions Bank, Huntington

Date: 6-15-06

ACCOUNT AGREEMENT AND SIGNATURE CARD

I/we, the undersigned authorized individual(s), agree to the terms and conditions of this account as contained in the Zions First National Bank (hereafter "Bank") Deposit Agreement, which has been received and is incorporated herein, as it may be amended, including but not limited to those concerning arbitration and venue.

CERTIFICATION - Under penalties of perjury, by my signature below on this signature card, I certify that:

1. The number shown on this form is my correct taxpayer identification number (TIN) (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification Instructions. You must cross out item "2" above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. The Internal Revenue Service does not require your consent to any provision on this document other than the certifications required to avoid backup withholding.

Account # _____, TCD _____ Ownership _____ Corporation _____

Title: GYPSUM RESOURCE DEVELOPMENT INC FBO Division of Oil,
Gas & Mining

Date: 05/09/06

This Account Agreement is agreed to by:

1. GYPSUM RESOURCE DEVELOPMENT INC TIN: 870-47-3352	<i>C.R. Larkin</i>
2. CURTIS R LARKIN TIN: - -	<i>C.R. Larkin</i>
3. State of Utah Div TIN. of- Oil Gas & Mining	<i>C.R. Larkin</i> Custodian
4. TIN: - -	
5. TIN: - -	
6. TIN: - -	

Principal
Non-Title
Non-Title

Opened by: Jenene Hansen

CORPORATE RESOLUTION

The undersigned corporate officer(s) of the corporation named on this account agreement certify that a meeting of the Corporation's Board of Directors was held in accordance with the state laws where it is incorporated and the following resolution was adopted. The Corporation is hereafter referred to as "Entity".

Secretary

and/or

President or Vice President

Date

Resolution/Authorization

This Entity shall open an account with the Bank, and until this authority is revoked by written notification to the Bank of such action by those authorizing this action, the persons named and whose signatures appear on this account agreement are hereby authorized to sign checks, drafts, withdrawal orders, bills of exchange, and make telephone transfers from this account for and in behalf of this Entity. The Entity will provide a new Resolution and complete a new Account Agreement for any change in signers. The Bank shall be indemnified and held harmless from any loss suffered or any liability incurred by it in continuing to act in accordance with this authorization.

The Entity agrees that this account will be utilized according to applicable laws and the Deposit Agreement of the Bank. This account is subject to service fees as disclosed in the Bank's current fee schedule, now in effect or hereafter established. This resolution or authorization supersedes all prior authorizations, which are hereby canceled.

COPY

ZIONS BANK®

TIME DEPOSIT CONFIRMATION

Account Number: _____
REVISED AS OF Date: 06/14/2006

Ownership: CURTIS LARKIN DBA GYPSUM RESOUR FBO DIVISION OF OIL, GAS & MINING
CURTIS LARKIN-BENEFICIARY ST OF UT DIV OF OIL, GAS & MINING &

Purchase Amount: \$10,000.00 Term: 6 ☒ Months ☐ Days
Interest Rate: 3.250% Annual Percentage Yield: % Maturity Date: 12/14/2006

Interest Payment Frequency: ☒ At Maturity ☐ Annually ☐ Quarterly ☐ Monthly

Interest Payment Method: ☐ Add to Deposit ☐ Issue Check ☒ Transfer to Account Number _____

Non-Renewable If Checked: ☐

☒ Checking/MMDA ☐ Savings

Zions Bank Representative Signature: _____

This confirmation is not negotiable. This confirmation is not transferrable except on the records of the Bank. The Certificate of Deposit is issued in accordance with Zions Bank's Deposit Agreement.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 18, 2008

Edward Christianson
Zions Bank
P.O. Box 60
Huntington, Utah 84528

Subject: Partial Release of Reclamation Surety, Certificate of Deposit # [redacted] Gypsum Resource Development, White Cap #8 Mine, S0150047, Emery County, Utah

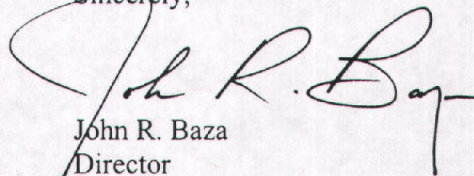
Dear Mr. Christianson:

Zions Bank is presently holding a certificate of deposit # [redacted] or the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Gypsum Resource Development Company's White Cap #8 Mine. At the company's request and after site inspections to verify that reclamation work has been satisfactorily completed, this letter will authorize the release of sufficient principal to reduce the face value of the certificate of deposit to no less than \$3000.00. The partial payment should be directed to Gypsum Resources Development Company. We understand an interest penalty may apply for early withdrawal of the certificate.

When this transaction has been accomplished, please furnish us with written confirmation that appropriate funds have been released and that the balance of retained funds will remain at no less than \$3000.00.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Again, thank you for your help in this matter.

Sincerely,


John R. Baza
Director

JRB:PBB:pb

cc: Curtis Larkin, Gypsum Resource Development
Chris Conrad, Price BLM

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JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report

Minerals Regulatory Program

November 18, 2008

Reviewed: _____

Mine Name: White Cap #8

Operator Name: Gypsum Resource Development

Permit number: S0150047

Inspection Date: April 21, 2008

Time: About 2:00-2:15 PM

Inspector(s): Paul Baker

Other Participants: None

Mine Status: Reclaimed

Weather: Mostly clear

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds, Permit Fees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

I wanted to see whether the grizzly had been removed and how vegetation was progressing.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds, Permit Fees

The Division holds a reclamation surety of \$10,000.00. On November 17, 2008, the Division received a request to release \$9000.00.

7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)

The operator completed grading in April 2007. The entire site has positive drainage and blends well with surrounding areas. It was left rough but not too rough.

The grizzly had not been removed as of the date of the inspection, but I understand it is now gone.

9. Revegetation

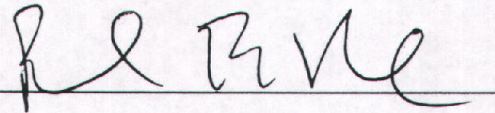
The site was seeded in April 2007 shortly after grading was completed. I saw nothing growing. There should have been plant skeletons if anything had grown the year before, but there was nothing.

Conclusions and Recommendations:

The Division needs to retain enough surety to scarify and reseed the site. The BLM and I have agreed that \$3000.00 should be adequate. The grading is adequate for release of the balance of the surety.

The operator called me on November 18, 2008, and said there was a lot of vegetation. He did not know what species were present but felt the amount of cover was similar to adjacent areas. The Division should check the vegetation, but some surety will need to be kept until the area has gone through at least three growing seasons.

Inspector's Signature



PBB:vs

cc: Curtis Larkin, Gypsum Resource Development
Christopher Conrad, Price BLM

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Photo 1. I understand the grizzly shown in this picture is now gone. The site is well graded and was left rough, but I saw no vegetation.



Photo 2. Another view of part of the site.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED

MAY 24 2006

DIV. OF OIL, GAS & MINING

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Gypsum Resource Development/Curtis Larkin** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S/015/047** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
 - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
 - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
 - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of discrete sections of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Gypsum Resource Development/Curtis Larkin

Operator Name

By Curtis Larkin

Authorized Officer (Typed or Printed)

President

Authorized Officer - Position

C R Larkin

Officer's Signature

5/24/06

Date

STATE OF Utah)

) ss:

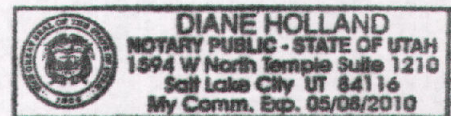
COUNTY OF Salt Lake)

On the 24th day of May, 2006, Curtis R. Larkin personally appeared before me, who being by me duly sworn did say that he/she is an owner and officer (owner, officer, director, partner, agent or other (specify)) of the Operator Gypsum Resource Development and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Diane Holland

Notary Public

Residing at Salt Lake City, Utah



May 8, 2010

My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

6/22/06
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 22nd day of June, 2006, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.



Diane Holland
Notary Public
Residing at: Salt Lake City, Utah

5/08/2010
My Commission Expires:

Fact Sheet

Commodity: Gypsum

Mine Name: White Cap 8

County: Emery

Acres: 5

Operator Name: Gypsum Resource Development/Curtis Larkin

Operator Address: 1947 N 2050 E, LAYTON UT, 84040

Operator telephone number: (801) 547-5061

Surety: Certificate of Deposit

Surety Amount: \$10,000

Bank Name: Zions Bank, Huntington, Utah

Bank telephone number: 435-687-2425

Account number _____



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 2, 2013

TO: File

THRU: Paul Baker *PAB*

FROM: Wayne Western *WHW*

SUBJECT: Bond History, Gypsum Resource Development, White Cap 8, S /015/0047, Emery County, Utah

- The White Cap 8 Mine was issued a permit by the Division in 1991. At that time the Division did not require a bond for small mines.
- In 2003, the State required all small mines and exploration projects to post reclamation bonds.
- In 2006, the Division received \$10,000 bond from the Operator. The Operator originally posted a bond with Emery County and that bond was transferred to the BLM and the Division.
- In 2006, the Division required reclamation at the site because the site had been inactive for over ten years. The Operator applied to the Board, which granted an extension for operations.
- In January 2007, the Division required that the bond be increased from \$10,000 to \$18,600. There is no evidence that the additional bond was posted.
- In May 2007, the Operator requested a partial bond release.
- In November 2008, the Division granted a partial bond release. The Division released \$7,000 of the \$10,000 bond. The remaining bond is \$3,000.
- In 2011, the Division and the BLM turned down requests for final bond release because the vegetation cover did not meet the minimum 70% requirement.

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80150047

From: "Curtis Larkin" <crlarkin@comcast.net>
To: <paulbaker@utah.gov>
Date: 4/14/2011 5:13 PM
Attachments: Reclamation Bond Release 20110001.pdf

Paul,

This week I received a recent inspection report and several pictures of the vegetation at the reclaimed gypsum mine site (White Cap #8, S/015/0047) from Wayne Western. I assume you have access to his report and pictures.

I called Wayne to discuss the inspection and for clarification on the purpose of the report. Wayne advised me the purpose of the inspection is to obtain final bond release and that I should complete and submit Form MR - Site/Bond Release (See Attached). Wayne informed me you would be making another inspection in a week or so to assess vegetation.

It has been four years now since the site was reseeded. As I recall, there was some differing of opinions between BLM and DOGM, and even amongst some within DOGM on the most favorable seed mix. Nonetheless, we had the prescribed seed mix custom blended and completed the reseeded. According to my inspection over two years ago, the vegetation equaled or exceeded the adjacent property.

Last year you raised concerns that although it had been three years, it technically only constituted two growing seasons because of the timing of the reseeded and that some more desirable grasses had not been introduced. You also explained, however, that some of these more desirable grasses were not even in the prescribed seed mix.

I am hopeful that your upcoming inspection will confirm adequate vegetation and finally allow resolution of a this extensive and expensive reclamation work. Please advise me of the status of your inspection as soon as possible.

Thank you,

Curtis Larkin

Office 801-547-5061

Cell 801-663-1705

Email crlarkin@comcast.net



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 1, 2006

CERTIFIED MAIL
7004 2510 0004 1824 3748

Mr. Curtis Larkin
1947 North 2050 East
Layton, Utah 84040

Subject: Request for Finalization of Paperwork for Zions Bank Certificate of Deposit Account and Return of Signature Card to Division, White Cap 8, S/015/047, Emery County, Utah

Dear Mr. Larkin:

As part of the process to finalize the Zions Bank Certificate of Deposit Account, the Division has requested an Administrative Hold letter issued by Zions Bank, the appropriate CD account titling (time account receipt/disclosure), a signed signature card, and signed CD Letter Agreement. The initial request for the administrative hold letter was made April 19, 2006 including several follow-up requests. An email request of May 25, 2006 stated the following:

"For the Division Director to sign the documents, which includes the Federal Agency, BLM, the Administrative hold letter must accompany the CD agreement letter. I would ask that you prepare and send this letter right away, so that Mr. Baza can sign the CD agreement letter. Once I have the signature card, I will ask Mr. Baza to sign that as well. In addition, can you provide me with a copy of the time account receipt/disclosure (or similar document identifying the account number and titling) with the admin hold letter, then I can have the package prepared for Mr. Baza to sign."

Shortly after the email, there was a verbal conversation with Jenene Hansen, clarifying the email request. She was unsure of what the time account receipt/disclosure statement was, so she was given the names of other Zions Bank personnel that could assist her in obtaining this document.

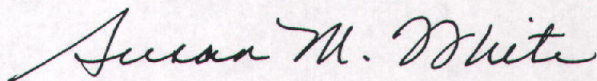
To date, the Division has not received the signature card, and according to an email from Jenene Hansen, it was mailed to you on May 22, 2006 to sign and send to the Division. **Please mail the signed signature card to the Division immediately.**

At this time, the Division is requesting your assistance with getting these CD account details finalized. As mentioned previously, the Division is cooperating with Zions' Bank request for Mr. Christianson to be the last to sign the CD agreement letter. If Zions Bank, Huntington Branch, requires assistance in completing this paperwork, please suggest they contact others within the organization that can assist with the completion of these document. Through this office, the Huntington Branch has been given the names and phone number of three contacts at Zions Bank that are familiar with the process. **The Division expects to have these complete documents by June 16, 2006 in order to obtain final approval.**

Please contact Jenene at Zions Bank, (435) 687-2425 to obtain status information and determine how this process can be finalized in a more timely manner. Please mail the signed signature card to the Division immediately.

If you have any questions or require discussion regarding the content of this letter, please contact me at (801) 538-5258 or Minerals Surety Coordinator, Beth Ericksen (801) 538-5318. The Division appreciates your continued cooperation and diligence in handling these bonding related matters.

Sincerely,



Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

BE:be

cc: Beth Ericksen, DOGM ✓
Lynn Kunzler, DOGM
Daron Haddock, DOGM
Edward Christianson, Zions Bank, Huntington

P:\GROUPS\MINERALS\WP\M015-Emery\S0150047-GRD-whitecap#8\final\requestfordocuments.doc

Curtis, We received the CD agreement letter this morning. SMD

Beth



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

May 21, 2007

If you have questions of need further information, please call me at 801-538-5258 or
Paul Baker at 801-538-5258. Thank you for your cooperation in completing the grading work.

Curtis Larkin
Gypsum Resource Development
1947 North 2050 East
Layton, Utah 84040

Sincerely,

John R. Baza

Subject: Partial Surety Reduction Request, Gypsum Resource Development, White Cap #8
Mine, S0150047, Task 1811, Emery County, Utah

Dear Mr. Larkin:

The Division has reviewed your request for a reduction in the surety being held for reclamation of the White Cap #8 Mine. Prior to any reduction in the surety, the grizzly must be removed from the site.

Please notify the Division once the grizzly has been removed. If this is done soon, the Division will be able to authorize a reduction from \$10,000.00 currently being held to \$2900.00.

The Division needs to continue to hold adequate surety for revegetation of the site. This would include re-scarifying the area and seeding. The surety was calculated in 2007 dollars with escalation to 2010:

\$1000.00	Estimate from Nielson Construction to mobilize a D6 dozer and operate it for one-half day.
\$1400.00	Seeding costs based on standard amount from bonding spreadsheet (\$280/acre) which includes cost for seed estimated at \$132/acre.
\$2400.00	Subtotal
\$240.00	10% contingency
\$261.64	Escalation for three years at 3.2%
\$2901.64	Total, round to \$2900.00

The Bureau of Land Management has concurred with this conditional approval of the reduction in the surety amount.



UTAH
NATURAL RESOURCES

5/11/06

To: Curtis

From: BETH, DOGM

State of Utah
Department of Natural Resources



Beth Ericksen
Minerals Surety Coordinator

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

telephone (801) 538-5318
facsimile (801) 359-3940
beth.ericksen@utah.gov
www.ogm.utah.gov

his

return by the following date _____

☒ Other PLEASE SIGN, DATE, NOTARIZE
this contract & Return The
ORIGINAL Signature Page
to The Division by 5/18/06
so the Director can sign.
Thank you for your
cooperation BO.

If you mail this back using anything other →

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/015/047 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
 - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

File Number _____

Other Agency File Number _____

UTAH
NATURAL RESOURCES
OIL, GAS and MINING
Suite 1210
Box 145801
Salt Lake City, UT 84114-5801
Telephone (801) 538-5318
Facsimile (801) 359-3940
www.ogm.utah.gov



DO---

NOTICE OF INTENTION CONTRACT

Contract referred to as "Contract") is entered into by and between Operator/Curtis Larkin the "Operator" and the Division ("Division").